



Approved: April 21, 2009

KHPA Board Meeting March 17, 2009

MINUTES

Guests:

Mark Thompson, Project Director, Kansas Department of Education
Ray Dalton, Deputy Secretary, KS Social and Rehabilitation Services

Board Members Absent:

E.J. (Ned) Holland, Senior Vice President, Human Resources, Embarq Corporation
Susan Page, CEO and President of Pratt Regional Medical Center

Ex-Officio Members Absent:

Duane Goossen, Secretary, KS Department of Administration
Alexa Posny, Commissioner, Kansas Department of Education
Sandra Praeger, Commissioner, Kansas Insurance Department
Don Jordan, Secretary, KS Social and Rehabilitation Services

Joe Tilghman, Board Chair

Board Chair Tilghman called the meeting to order.

Chair Tilghman introduced Dr. Jason Eberhart-Phillips, Director of Health and Kansas State Health Officer at Kansas Department of Health and Environment (KDHE). Chair Tilghman extended gratitude to Richard 'Dick' Morrissey for his interim time served on the Board while KDHE worked on filling the Director of Health position.

The draft minutes from the February 17, 2009 Board meeting were reviewed.

ACTION: Motion was made, seconded and carried to approve the Board minutes as written.

Chair Tilghman reminded Board members and audience members that the April 21, 2009 Board meeting will be at the Ramada Inn, Madison Room, 420 SE 6th Street in Topeka, Kansas.

Dr. Marci Nielsen, Executive Director

KHPA FY 2010 Budget: Dr. Nielsen provided an overview of the proposed KHPA budget recommendations for FY 2010, as recommended by the Governor as well as the legislature.

HITECH All-Stakeholders Meeting: Dr. Nielsen informed all Board members that they are invited/welcome to join the first HITECH (Health Information Technology for Economic and Clinical Health) All-Stakeholders meeting to be held on March 19th at the Capitol Plaza. With funding from the Health Information Security and Privacy Collaboration (HISPC) and in partnership with the Kansas Health Institute (KHI), this initial meeting was held to discuss the Kansas Health Information Technology for Economic and Clinical Health (HITECH) plan, which is the provision of the recently passed

Rm. 900-N, Landon Building, 900 SW Jackson Street, Topeka, KS 66612-1220

www.khpa.ks.gov

Medicaid and HealthWave:

Phone: 785-296-3981
Fax: 785-296-4813

State Employee Health

Benefits and Plan Purchasing:
Phone: 785-368-6361
Fax: 785-368-7180

State Self Insurance Fund:

Phone: 785-296-2364
Fax: 785-296-6995

stimulus package providing federal funding for state technology initiatives.

Legislators' Inquiries / Health Caucus: Dr. Nielsen advised that the Office of Inspector General (OIG) bill, Senate Bill 141, has been tabled; it was requested that the Kansas Judicial Council complete a study before moving forward on this bill. Dr. Nielsen reviewed a letter sent to the Senate Ways and Means and House Appropriations Committee in response to questions they had regarding the salaries at the KHPA. She also advised that Senator John Vratil had introduced legislation that would change the home for the safety net clinics and their state funding from under the umbrella of the Kansas Department of Health and Environment to the KHPA. Dr. Nielsen referred members to a news article from KHI regarding this issue.

Dr. Andy Allison, Deputy Executive Director and Director of Medicaid and HealthWave Programs

ARRA: Kansas Medicaid Program: Dr. Allison reviewed a KHPA Fact Sheet which summarized the requirements specific to the Medicaid stimulus dollars from the American Recovery and Reinvestment Act (ARRA) of 2009. The Act requirements appear to include:

- States accepting ARRA Medicaid funding are prohibited from reducing eligibility standards, methodology or procedures,
- Supplemental Medicaid funding is to be used first to maintain state Medicaid programs,
- That Congress anticipated other possible uses of this funding by states in need of more general fiscal relief.
- That states are required to spend supplemental Medicaid funds by prohibiting the direct or indirect use of such funds to contribute to a state's rainy day fund or reserve.
- That states which elect to reduce or restrict payments and services will risk costly and extended legal challenges from providers.

Dr. Allison also reviewed Key Provisions in ARRA and Federal Medicaid Laws along with Q&A with Board members.

Mental Health Prescription Drug Advisory Committee: Dr. Allison briefly revisited and requested action be taken by the Board on the KHPA Mental Health Prescription Drug Advisory Committee membership lists for the Advisory committee and the At-Large committee. The main focus for the Advisory Committee will be addressing safety issues related to prescriptions for mental health drugs. New language for Senate Bill 166 has been created and will be presented to the Senate Committee on Public Health and Welfare. A copy of this language was distributed to the Board.

ACTION: Motion was made to accept the appointment of members nomination to the committee and the at-large committee, seconded and passed.

Note: Substitute for Senate Bill 166 later died in committee.

Update on State Children's Health Insurance Program (SCHIP): The Board, at the February 17th meeting, passed a motion to support the State in authorizing the amount of SGF needed to expand the SCHIP program up to the 250% federal poverty level. Dr. Allison advised that his staff have been developing a revised estimate of the SCHIP expansion. With the economy in its current state and with the increased number of applications received already, we expect that half of our estimate of approximately 8,000 will enroll almost immediately.

Update on Data Consortium: The Data Consortium is scheduled to meet next week and there will be more to report to the Board after this meeting.

Update on Nursing Facility Provider Tax: This group is scheduled to meet again in May; staff is currently compiling additional analysis for this meeting.

Review of Quarterly Medicaid Reports: Dr. Allison reviewed the quarterly Medicaid reports relating to: Expenditures per Beneficiary by Population Group, Total Expenditures by Population Groups and Beneficiaries by Population Group.

Dr. Barbara Langner, Director of Policy

Update on 2009 Legislative Session: Dr. Langner updated the Board on the recent testimony presented at hearings during the month of March and reviewed a bill tracking report, which summarizes those bills with impact to the agency. The main priority for the upcoming month will be to make a case for our budget and the operational functions that are necessary to help people who are struggling to obtain health insurance.

Doug Farmer, Director of the State Employee Health Benefit Program

Update on Employee Advisory Committee (EAC): At the last EAC meeting members decided that the rate package for plan year (PY) 2010 should include a mix of rate increases, co-insurance increases, and deductible increases which will provide for an actuarially sound plan. The committee does not support the addition of coverage for electronically operated prosthetics or bariatric surgery, which had previously been proposed for coverage in PY 2010.

Update on HealthQuest: Statewide health screenings for Plan members will begin at the end of this month and about 12,000 members are anticipated to participate. The health coaching, personal health assessment (PHA), disease management and online tools will also be available for members this year. Performance guarantees have been added to the current Health Dialog contract which will ensure that the HealthQuest program will perform to the agency's standards and expectations.

Update on Consolidated Omnibus Budget Reconciliation Act (COBRA): The American Recovery and Reinvestment Act of 2009 (ARRA) provides for premium subsidies and additional election opportunities for employee health benefits coverage under COBRA. Eligible individuals will pay only 35% of their COBRA premium and the remaining 65% will be reimbursed to the state through federal income tax credits. The premium reduction will apply to premiums paid any time on or after March 1, 2009. This coverage is available only to employees who were involuntarily terminated and who are terminated for "gross misconduct".

Update of Workers Compensation/State Self Insurance Fund Balance: The current projections show that even with 7.5% rate increases for plan years 2010 and 2011, the fund would not be actuarially sound in 2010 and would not be solvent in 2011. State Employee Health Plan (SEHP) staff will continue to monitor this fund and will keep the Board Updated.

Dr. Marci Nielsen, Executive Director

Health Caucus: Dr. Nielsen advised that Board members had been invited to a Legislative Health Caucus that will be held over the lunch hour. A discussion of broad health policy issues will be held, facilitated by Senator Jim Barnett. An agenda and list of invited legislative leadership was provided. This will be an open discussion where they will have the opportunity to ask the KHPA Board members questions and vice-versa.

Joe Tilghman, Board Chairman

ACTION: Motion was made to go into executive session to discuss a matter with legal counsel for a period of thirty (30) minutes, seconded and carried. The executive session ended at the appointed time; and the Board meeting resumed in Open Meeting.

Phil Elwood, Board Legal Counsel

Resolution Adopted by the KHPA Board: Based on the Board's discussion related to the recent request by SRS for an independent review of the decision made to allocate additional funding for the Community Living Opportunities (CLO) program, the proposed resolution was prepared for Board adoption which outlined the review process, provided funding for up to \$25,000 for this review, and identified the contractor who will be conducting the review. . Mr. Elwood reviewed the resolution with Board members.

ACTION: Motion was made to adopt the resolution as written, seconded and carried.

Joe Tilghman, Board Chair

Health Caucus: Mr. Tilghman adjourned the KHPA Board to convene next door for the Legislative Health Caucus.

Legislative Health Caucus**Senator Jim Barnett**

Health Caucus: Senator Jim Barnett, and Representatives Charles Roth, Jill Quigley, Sheryl Spalding and Don Hill joined the KHPA Board members for a legislative health caucus over the lunch hour to discuss the American Recovery and Reinvestment Act (ARRA) of 2009, Medicaid, Health Information Technology for Economic and Clinical Health Act (HITECH) and have an open dialogue about health policy and health reform. Senator Barnett began the discussion by explaining that the purpose for the creation of the Health Caucus was to address the obvious need for legislators to learn

more, have further discussion and have better dialogue about health care. The leadership in both the house and senate are in support of the health caucus. This caucus will allow legislators to have some time during the legislative session to come together to discuss specific issues or discuss certain bills that they may want some more information about and also provides an opportunity after session to meet across the state and have speakers come talk about topics that legislators would like to learn about and provide a bicameral, bipartisan opportunity to learn more about health care.

Several topics briefly discussed included:

- The Kansas Medicaid program with regards to the ARRA/stimulus funding. .
- Efforts to advance health information technology and exchange, telehealth and telemedicine initiatives in Kansas.

Plans of the first HITECH stakeholders meeting scheduled for March 19, 2009.

Chairman Tilghman thanked all the legislators for their time and reconvened the KHPA Board meeting in Emerald Room III-V.

Scott Brunner, Chief Financial Officer

Agency FY 2009 Monthly Expenditure Report: The FY 2009 Expenditure Report through February 28, 2009 was reviewed by the Board. Board members were advised that the 'legislative approved budget FY09' column now reflects legislative action that has been taken this session with regards to the FY 2009 rescission bill, which revised the FY 2009 Budget, was approved by the legislature and signed by the Governor. Mr. Brunner advised that two additional columns will be added to this expenditure report for future Board meetings, 1) a column which reflects the Medicaid match dollars; and 2) a column which reflects the Medicaid Stimulus dollars received.

Agency Budget for FY 2009/2010: Mr. Brunner reviewed a side-by-side comparison of the agency's budget recommendations made by the House and Senate, along with a summary of the Governor's budget recommendations including federal stimulus funding through ARRA. Also included with this fact sheet was a description of a number of agency reductions in order to meet the recommended budget goals being proposed by the legislature.

Scott Brunner, Chief Financial Officer

KHPA Strategic Plan 2009-2012: The KHPA strategic plan was reviewed by the board and discussed. Board members requested that additional objectives be written to address the uninsured Kansans and to describe the process for tracking ARRA/stimulus funding for the agency.

ACTION: Motion was made to accept the Strategic Plan as written and review it further at the June 16 & 17 Board Retreat, seconded and carried

Joe Tilghman, Board Chair

There were no Public Comments received. Meeting was adjourned